



General Assembly

February Session, 2000

Amendment

LCO No. 5419

Offered by:

REP. AMANN, 118th Dist.

To: Subst. House Bill No. 5858

File No. 575

Cal. No. 425

"An Act Extending Prescription Drug Coverage To Low-Income Uninsured Individuals."

1 Strike out everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subdivision (4) of section 38a-564 of the general statutes,
4 as amended by section 1 of public act 99-124, is repealed and the
5 following is substituted in lieu thereof:

6 (4) "Small employer" means any person, firm, corporation, limited
7 liability company, partnership or association actively engaged in
8 business or self-employed for at least three consecutive months who,
9 on at least fifty per cent of its working days during the preceding
10 twelve months, employed no more than fifty eligible employees, the
11 majority of whom were employed within the state of Connecticut.
12 "Small employer" includes a self-employed individual. In determining
13 the number of eligible employees, companies which are affiliated
14 companies, as defined in section 33-840, or which are eligible to file a
15 combined tax return for purposes of taxation under chapter 208 shall
16 be considered one employer. Eligible employees shall not include

17 employees covered through the employer by health insurance plans or
18 insurance arrangements issued to or in accordance with a trust
19 established pursuant to collective bargaining subject to the federal
20 Labor Management Relations Act. Except as otherwise specifically
21 provided, provisions of sections 12-201, 12-211, 12-212a and 38a-564 to
22 38a-572, inclusive, as amended, which apply to a small employer shall
23 continue to apply until the plan anniversary following the date the
24 employer no longer meets the requirements of this definition. "Small
25 employer" does not include a municipality procuring health insurance
26 pursuant to section 5-259, as amended.

27 Sec. 2. Section 38a-568 of the general statutes is repealed and the
28 following is substituted in lieu thereof:

29 (a) (1) Subject to approval by the commissioner, the board shall
30 establish the form and level of coverages to be made available by small
31 employer carriers in accordance with the provisions of subsection (b)
32 of this section. Such coverages, which shall be designated as small
33 employer health care plans, shall be limited to: (A) A basic hospital
34 plan, (B) a basic surgical plan, (C) major medical plans which can be
35 written in conjunction with basic hospital plans or basic surgical plans,
36 (D) comprehensive plans, and (E) plans with benefit and cost-sharing
37 levels which are consistent with the basic method of operation and the
38 benefit plans of health care centers, including any restrictions imposed
39 by federal law. The board shall submit such plans to the commissioner
40 for [his] the commissioner's approval [within] not later than ninety
41 days after the appointment of the board pursuant to section 38a-569.
42 The board shall take into consideration the levels of health insurance
43 provided in Connecticut and such medical and economic factors as
44 may be deemed appropriate and shall establish benefit levels,
45 deductibles, coinsurance factors, exclusions and limitations
46 determined to be generally reflective of health insurance provided to
47 small employers. Such plans may include cost containment features
48 [such as] including, but not limited to: (i) Preferred provider
49 provisions; (ii) utilization review of health care services, including
50 review of medical necessity of hospital and physician services; (iii) case

51 management benefit alternatives; and (iv) other managed care
52 provisions.

53 (2) After the commissioner's approval of small employer health care
54 plans submitted by the board pursuant to subdivision (1) of this
55 subsection, and in lieu of the procedure established by section 38a-513,
56 any small employer carrier may certify to the commissioner, in the
57 form and manner prescribed by the commissioner, that the small
58 employer health care plans filed by the carrier are in substantial
59 compliance with the provisions in the corresponding approved board
60 plan. Upon receipt by the department of such certification, the carrier
61 may use such certified plans until such time as the commissioner, after
62 notice and hearing, disapproves their continued use.

63 (b) [Within] Not later than ninety days after the commissioner's
64 approval of small employer health care plans submitted by the board,
65 every small employer carrier shall, as a condition of transacting such
66 insurance in this state, offer those small employer health care plans
67 that correspond to the insurance products being currently offered by
68 the carrier to small employers. Every small employer [which] that
69 elects to be covered under such plan and agrees to make the required
70 premium payments and to satisfy the other provisions of the plan shall
71 be issued such a plan by the small employer carrier.

72 (c) No health care center shall be required to offer coverage or
73 accept applications pursuant to subsection (b) of this section in the case
74 of any of the following: (1) To a group, where the group is not
75 physically located in the health care center's approved service area; (2)
76 to an employee, where the employee does not work or reside within
77 the health care center's approved service area; (3) within an area,
78 where the health care center reasonably anticipates, and demonstrates
79 to the satisfaction of the commissioner, that it will not have the
80 capacity within that area in its network of providers to deliver services
81 adequately to the members of such groups because of its obligations to
82 existing group contract holders and enrollees; or (4) where the
83 commissioner finds that acceptance of an application or applications

84 would place the health care center in an impaired financial condition.
85 [; or (5) to groups of fewer than three eligible employees, where the
86 health care center does not utilize preexisting condition provisions in
87 the plans it issues to any small employers.] A health care center that
88 refuses to offer coverage pursuant to subdivision (3) of this subsection
89 may not, for ninety days after such refusal, offer coverage in the
90 applicable area to new cases of employer groups with more than
91 twenty-five eligible employees.

92 (d) A small employer carrier shall not be required to offer coverage
93 or accept applications pursuant to subsection (b) of this section subject
94 to the following conditions: (1) The small employer carrier ceases to
95 market health insurance or health benefit plans to small employers and
96 ceases to enroll small employers under existing health insurance or
97 health benefit plans; (2) the small employer carrier notifies the
98 commissioner of its decision to cease marketing to small employers
99 and to cease enrolling small employers, as provided in subdivision (1)
100 of this subsection; and (3) the small employer carrier is prohibited from
101 reentering the small employer market for a period of five years from
102 the date of the notice required under subdivision (2) of this subsection.

103 (e) For groups containing only one member, a small employer
104 carrier or health care center offering coverage pursuant to this section
105 may require proof that the individual has been self-employed for three
106 consecutive months."